

# Helping the Poor: The Great Distraction

“How can we help the poor?” It’s one of the most perennially popular questions in politics, economics, philanthropy, religion, and beyond. Economists top answer has long been, “Economic growth.” Non-economists’ top answer has long been, “Redistribution.” But I say almost every perspective misses a critical insight. Namely: Governments around the world impose numerous policies that actively *hurt* the poor. The whole debate about “helping the poor” creates the illusion that the sole reason for their suffering is mere neglect, even though outright *abuse* is rampant.

Immigration restrictions are the most glaring form of abuse of the poor. Think about it: A large majority of the world’s poorest people could easily multiply their income fivefold or tenfold merely by migrating to the First World and taking a low-skilled job. They don’t need our help with transportation; the cost is modest. They don’t need our help to find a job; they can handle that themselves. They don’t need a place to stay; family, friends, and employers have that covered. The bane of these would-be migrants’ existence is simply that the First World treats them like criminals. They don’t need us to help them; they need us to stop hurting them.

Housing regulation is another fine example. When housing regulation was light, housing prices stayed close to the physical cost of production. The obvious benefit for the poor was that they didn’t have to spend a huge share of their budget on rent or mortgage payments. But there was also a less-obvious benefit: Poor families used to have a near-foolproof way to raise their standard of living – move to higher-wage parts of the country. Over the last fifty years, however, housing regulation has become very strict, especially in the country’s high-wage areas. As a result, average U.S. housing prices are now roughly double the physical cost of production.

To ask, “How can we help the poor get affordable housing?,” creates the impression that the rest of us are *neglecting* the poor. In other words, that we’re guilty of leaving desperate folks to fend for themselves in a hostile world. The reality, rather, is that our society *artificially strangles the supply of a naturally abundant necessity*. In the long-run, this hurts almost everyone – probably including most homeowners. But the poor clearly suffer extra because (a) they spend a higher share of their income on housing, and (b) are much more likely to rent.

The list of policies that hurt the poor goes on and on. Occupational licensing, most of it laughably pointless, excludes the poor from getting higher-paid jobs. The U.S. incarcerates several hundred thousand people for victimless crimes. Most of them were probably poor when they were free – and virtually all of them are poor now. Since a large majority of prisoners are working-age males, this in turn impoverishes any family members they would

have supported. And if I'm right about the connection between education subsidies and credential inflation, government support for education ramps up the stigma of dropping out of high school and failing to graduate from college.

You could accuse me of being one-sided. Sure, many government policies hurt the poor, but many other government policies help the poor. An intriguing point, but the math doesn't add up. Counting immigration restrictions, the harm we inflict on the poor *far* exceeds the help we offer them.

You could accuse me of being ideological. What I'm really doing, though, is highlighting a way to elevate the poor that well-meaning people of *all* ideologies can endorse in good conscience. When you demand massive sacrifices to help the poor, you have to appeal to sectarian dogmas like, "Failing to save a stranger's life is morally the same as murdering him." See Peter Unger's *Living High and Letting Die*. When you demand an end to policies that actively hurt the poor, you appeal to the widely shared view that you shouldn't stop people from pulling themselves up by their own bootstraps.

Why not help the poor *and* hurt the poor less? Rhetorically, because can't argue for everything at once - and if you tried, people wouldn't pay attention to you. Substantively, because we're hurting the poor so much and so *unthinkingly*. And then there's the matter of cost. Helping other is much more expensive than merely legalizing self-help.

Why is my perspective on poverty so unpopular? The obvious answer is that Effective Altruism is *usually* unpopular. Soft hearts and soft heads go together. Most people are instinctive Ineffective Altruists. They want to solve poverty with sacrifice and without math.

But what about activists and politicians? They spend a lot of time thinking about poverty - and they don't agree with me either. While I could be wrong, I blame their **power-hunger**. Activists and politicians want to lead a never-ending crusade against poverty - and self-help cuts the crusade short. As I've explained before:

*Suppose you're very power-hungry. Do you want people to think they're able to fix their own problems? Of course not. If individuals can help themselves by doing a good job, learning new skills, making friends, and keeping their eyes peeled, what do they need you for? In contrast, if people believe that collective action is the path forward, the collectivity will clearly need leaders. And who will fill these leadership positions? The socialist activists, naturally.*

Early in *The Godfather*, Sonny Corleone attacks a photographer and breaks his camera.

Then Sonny reaches into his pocket and throws some money at his victim. If you watch this scene and say, "Sonny didn't do enough to help the photographer," you're missing the point. Before Sonny arrived, the photographer was doing fine. Then Sonny showed up and did him harm. You could say, "Sonny should have tossed the victim more money." But first and foremost, he should have left the poor guy alone.